

Translation of Immediate Report

T121
Public

Bank Leumi le-Israel B.M.
Registration No. 520018078
Securities of the Corporation are listed on The Tel Aviv Stock Exchange
Abbreviated Name: Leumi
34 Yehuda Halevi Street, Tel Aviv 651316
Phone: 076-8858111, 076-889419; Facsimile: 076-8859732
Electronic Mail: Livnat.EinShay@bll.co.il

February 24 2021
Reference: 2021-01-022431

To: Israel Securities Authority (www.isa.gov.il)
The Tel Aviv Stock Exchange (www.tase.co.il)

Immediate Report

Explanation: This form should not be used where there is a specific form for the reported event
Issuance results should be reported using T20 form and not this form.
Report on the rating of bonds or a corporation should be filed using a T125 form

Nature of Event: *Preliminary Notice – General Meeting*

Reference number of previous reports on the matter _____,

Attached please find file [Preliminarynoticeofmeeting2021_isa.pdf](#)

The company is not an envelope company as that term is defined in the Stock Exchange bylaws.

Date and time at which the corporation first became aware of the event or matter:
February 24 2021, at 16:20.

Details of signatories authorized to sign on behalf of the corporation:

Name of signatory	Title	other
<i>Livnat Ein-Shay Wilder</i>	<i>Secretary of the Group and the Bank</i>	

In accordance with Regulation 5 of the Securities Regulations (Periodic and Immediate Reports), 1970, a report filed pursuant to these regulations shall be signed by the corporation's authorized signatories. For a staff position of this matter, see the Authority's website: [click here.](#)

Reference number of previous reports on the matter (does not constitute inclusion by way of reference): _____

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange

Ticker: Leumi

Address: Yehuda Halevi Street 34, Tel Aviv 6513616, Tel: 076-8858111,

Facsimile: 076-8859732 Electronic Mail: Livnat.Ein-Shay@bll.co.il

company's website: www.leumi.co.il

Previous names of the reporting entity:

Name of Electronic Reporter: Livnat Libby Wilder, Position: Secretary of the Bank
34 Yehuda Halevi Street, Tel Aviv 6513616, Phone: 076-8857984, Facsimile: 076-8859732
Electronic Mail: Livnat.Ein-Shay@bll.co.il

Note: English translations of Immediate Reports of Bank Leumi are for convenience purposes only. In the case of any discrepancy between the English translation and the Hebrew original, the Hebrew will prevail.

The original Hebrew version is available on the distribution website of the Israel Securities Authority:
<http://www.magna.isa.gov.il/>



February 24 2021

To
The Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit St.
Tel Aviv 6525216

To
The Israel Securities Authority
2 Kanfei Nesharim St.
Jerusalem 95464

Dear Sir/Madam,

Preliminary Notice regarding the Intention to Convene an Annual General Meeting, the Agenda of Which will Include Several Matters, including, *inter alia*, the Appointment of Directors ("Preliminary Notice")

1. Pursuant to the provisions of Sections 11C(a)(4) and 11E(A)(2) of the Banking Ordinance, 1941 (hereinafter -the "**Banking Ordinance**"), and in accordance with the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting of a Public Company and the Addition of an Item to the Agenda), 2000 (hereinafter -the "**Companies Regulations**"), Bank Leumi le-Israel Ltd. (hereinafter - the "**Bank**") is pleased to announce that the Bank's Board of Directors intends to convene an annual meeting of the Bank's shareholders (hereinafter - the "**Meeting**"). The agenda of the Meeting is expected to include the following items: (1) Discussion of annual financial statements; (2) Appointment of independent auditors and authorization to set their fees; (3) Appointment of two external directors pursuant to the provisions of the Companies Law, 1999 (hereinafter - "**ED**"); (4) Appointment of two external directors in accordance with the Banking Supervision Department's Proper Conduct of Banking Business Directive No. 301 (hereinafter -"**External Director**", "**Directive 301**").
2. **The Bank Secretariat shall accept, through Wednesday, March 24 2021, at 17:00 (hereinafter - the "Deadline for Nomination"), nominations of candidates to be elected as directors as set out in section 1 above.**

The following are entitled to nominate candidates to serve as directors in the Bank as provided in section 11D of the Banking Ordinance: (1) The Committee for the Appointment of Directors in Banking Corporations appointed pursuant to Section 36A of the Banking Law (Licensing), 1981 (hereinafter - "the **Directors Appointment Committee**") and (2) a holder or body of holders (as set out in Section 11D(A)(3) of the Banking Ordinance), subject to the provisions of the Banking Ordinance.

All candidates must meet, *inter alia*, all the conditions set in law for service as a director in a Bank without a controlling core, as set out in Sections 11E(b)-(e) of the Banking Ordinance.

3. Subsequent to the Deadline for Nomination, the Board of Directors will decide to convene the Meeting, and the Bank will publish an immediate report and a notice, as required by law, regarding the convening of the Meeting, which will include details regarding the time of the Meeting and its full agenda, as well as the names of the nominees for the election of directors. A notice regarding the convening of the Meeting will be published at least 21 days after the date of this report.
4. The service of the directors who will be elected at the Meeting will be subject to the approval or non-objection of the Supervisor of Banks, in accordance with Section 11A of the Banking Ordinance.



5. Only those who are entitled to nominate candidates as described in Section 2 above may submit written nominations by the Deadline for Nomination, to the Bank's registered office – Leumi House, 34 Yehuda Halevi St., Tel Aviv, on Sundays through Thursdays, between 8:00 and 16:00, to the attention of the Bank Secretariat (11th Floor). The documents described below must be attached to the nominations. **A nomination to which not all documents listed below will be attached shall be deemed a nomination that was not submitted.**
6. The following must be attached to the written nomination as described in Section 5 above: (1) A CV; and (2) Appendix A attached to this notice, as well as the details required pursuant to Regulation 7(A)(5)(a) of the Companies Regulations (Voting by Ballot and Position Papers), 2005, which also refers to additional details that are required pursuant to Regulation 26 of the Securities Regulations (Periodic and Immediate Reports), 1970.

This Appendix must be completed in full and in accordance with the instructions set out therein, and **must be submitted in typed form**; together with the CV, and they will be attached, as is, to the Bank's notices regarding the convening of the Meeting.

If the nominating party is a "holder" or a "body of holders" as described in Section 2(2) above, the following should also be attached to the written nomination: (1) A copy of the nominating shareholder's identity card, passport or certificate of incorporation; (2) a confirmation of ownership of the percentage of the Bank's shares required by law, as of the date of the delivery of the nomination for service as a director.

7. A nominating party who is a "holder" or a "body of holders" as described in Section 2(2) above must also continue holding the percentage of the Bank's shares required by law on the record date for the purpose of voting at the Meeting, as defined in Section 182 of the Companies Law, 1999, and as published in the announcement and notice regarding the convening of the Meeting.
8. The Bank must satisfy all the relevant statutory requirements regarding the composition and qualifications of the Board of Directors, as provided by law, including Directive 301. Furthermore, in view of the requirement to meet the provisions of the law and the requirement to find a candidate possessing suitable experience and qualifications for service as a director in a large financial institution whose activity is as complex as the Bank's, and noting the challenges, opportunities and risks involved in the business environment in which the Bank operates in general and in the fields of cloud technology and cyber in particular, the Bank believes that the following candidates should be nominated:
 - Two candidates for service as the same type of director (ED or External Director as described above), so that at least one of them shall be elected in the Meeting to serve as director, and who shall have proven knowledge and experience in information technology, as this term is defined in Section 25 to Directive 301 and in accordance with the Bank's Board of Directors resolution of November 20 2018¹, with an emphasis on proven and up-to-date knowledge and experience in the fields of cloud technology and cyber;
 - That the candidates' banking experience, as this term is defined in Section 25(a) to Directive 301, will be taken into account.

¹ On November 20 2018, the Board of Directors decided that the key criterion for classifying a director as having "proven knowledge and experience in information technology" pursuant to Section 25 of Directive 301 shall be as follows: "One having practical managerial experience in leading significant technological projects in large companies during the past 15 years and staying up-to-date in the field since the end of the management period/leading the technological project -all subject to the discretion and the decision of the Board of Directors".



In addition, the Bank's Board of Directors believes that the Meeting should take into account: (1) the principle of balancing out between introducing change to the Board of Directors and ensuring it benefits from managerial succession and accumulated experience; and (2) promotion of gender and social diversity in the Board of Directors.

9. For additional information regarding the Directors Appointment Committee, including the Committee's work procedures, see the Bank of Israel's website, at www.bankisrael.gov.il.
10. As provided in section 66(b) of the Companies Law and in section 5C(b) of the Companies Regulations, one or more shareholders who holds at least one percent of the voting rights at the General Meeting may ask the Board of Directors to include an item on the agenda of an annual meeting to be convened in the future, provided that the item is appropriate for discussion by a General Meeting. The Bank may opt not to examine proposals that are received more than 14 days after the publication of the preliminary notice

Sincerely,

Bank Leumi le-Israel B.M.

By: Livnat Ein-Shay Vilder (Adv.)
Secretary of the Bank and Group
Deputy Head of the Legal Counsel Division

Appendix A

Statement of a Candidate for the Office of Director (who is not an External Director or E.D.) at Bank Leumi le-Israel B.M..

I, the undersigned, _____ ID No. _____, address: _____

hereby provide this statement as a candidate for the office of external director in accordance with Proper Conduct of Banking Business Directive No. 301 of the Banking Supervision Department (hereinafter - "**External Director**") or external director as defined by the Companies Law, 1999 (hereinafter - the "**Securities Law**"; "**ED**"), who meets the eligibility requirements for External Director at Bank Leumi le-Israel B.M. (hereinafter - the "**Bank**"), after I have been warned that I am required to state the truth, and that I shall be subject to the penalties prescribed by law if I fail to do so, as detailed below:

1. Personal information

Name: _____

ID number: _____

Date of birth: _____

Address for serving court documents: _____

Citizenship: _____

Residency: _____

Is he/she a relative of another interested party¹ in the Bank (if yes - please specify):

2. I am/ I am not an employee of the Bank, of a subsidiary thereof, of an affiliated company thereof or of an interested party thereof (if yes – specify the position/s filled by the candidate):

_____.

3. Competency

¹ **Interested party** – whoever holds 5% or more of the issued share capital of the corporation or of the voting power therein, whoever is entitled to appoint one or more directors of the corporation or its general manager, whoever serves as a director of the corporation or as its general manager or a corporation in which such a person holds 25% or more of its issued share capital or voting rights, or may appoint 25% or more of its directors. For the purpose of this paragraph, a mutual fund manager shall be considered as the holder of securities included in the fund's assets. If a person holds securities through a trustee, the trustee shall also be deemed to hold the said securities. For this purpose, "trustee" - excluding a nominee company and excluding a person who has held securities only by virtue of his position as trustee for an arrangement as defined in Section 46(a)(2)(f) of the Securities Law, 1968, or as trustee for the allotment of shares to employees as defined in Section 102 of the Income Tax Ordinance. In addition, a subsidiary of a corporation other than a nominee company.

I possess the qualifications necessary to serve as director of the Bank and, specifically, possess the knowledge, experience or expertise in one or more of the following areas: banking, finance, economic or business activity, law, finance, accounting, risk management, regulatory compliance, information technology, information security (including cybersecurity) or another area approved by the Banking Supervision Department and I have the time required to fulfill my functions as director of the Bank, taking into consideration, among other things, the scope of activity and size of the Bank.

My qualifications are as follows:² [education, training, experience]

Education:

Degree / academic certificate	My profession / primary field	Name of the academic institution

Professional certificates:

_____.

3.1. Specification of the main occupations during the past five years, detailing the corporations in which the candidate serves as director (please specify the number of years of service in each position):³

² The candidate must attach to this appendix a CV which includes, at least, specification of their education and of their occupations in the past five years, as required.

³ The candidate must attach to this appendix a CV which includes, at least, specification of their education and of their occupations in the past five years, as required.

3.2. In view of my education, experience, past and present employment and skills, I possess professional competency, as defined below, based on the aforementioned (note: the evaluation of the professional qualifications of a candidate to serve as director shall be made by the Board of Directors). Following is additional information to the aforementioned regarding my education and experience, indicating that I have met the conditions and tests for my competency as aforesaid:

Documents and certificates supporting my above statement in this section have been provided to the Bank Secretariat.

3.3. In view of my education, experience, past and present employment and skills, I possess accounting and financial expertise, as defined below, based on the aforementioned (note: the evaluation of the accounting and financial expertise of a candidate to serve as director shall be made by the Board of Directors). Following is additional information to the aforementioned regarding my education and experience, indicating that I have met the conditions and tests for my expertise as aforesaid:

Documents and certificates supporting my above statement in this section have been provided to the Bank Secretariat.

For the purposes of this section above:

"Professional Competency" - an academic degree as required in one of the terms and conditions stated in Paragraphs (1) or (2) below, as well as having experience as required in Paragraph (3) below:

(1) an academic degree in one of the following: economics, business administration, accounting, law and/or public administration; (2) another academic degree or has completed another form of higher education studies in the Bank's field of business or in an area which is relevant to his or her office; (3) at least five years of experience serving in two or more of the following: (a) a senior business management position in a corporation with a substantial scope of business; or (b) a senior public office of a senior position in the public sector; (c) a senior position in the field of banking.

“Director with Accounting and Financial Expertise” is a director who, in the opinion of the Board of Directors, has, by virtue of his or her education, experience and qualifications, a high level of proficiency in and understanding of business-accounting issues and financial statements, such that he or she is able to have in-depth understanding of the financial statements and hold a discussion as to the manner in which financial information is presented. When assessing accounting and financial expertise by the Board of Directors, the considerations shall include, among other things, the director’s education, experience and knowledge on the following issues: (1) accounting issues and accounting control issues typical to the banking sector and to companies of the scale and complexity of the Bank; (2) the roles and duties of the independent auditor; (3) the process of preparing and approving financial statements in accordance with the Securities Law, 1968 and the Companies Law.

- 3.4. A director who in his/her opinion does not have accounting and financial expertise is required to state whether he/she has the ability to read and understand financial statements - yes / no [delete the unnecessary].
- 3.5. In light of my education, experience, past and present employment, and my skills, as detailed above, to the best of my opinion, I have "banking experience"⁴ - yes / no [delete the unnecessary].
4. I have not been convicted in the past five years in a final judgment of an offense set forth in Section 226 to the Companies Law:
 - 4.1. Offenses under Sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 to the Penal Law, 1977 and under Sections 52c, 52d, 53 (a) and 54 to the Securities Law.
 - 4.2. Conviction in a court of law outside Israel on offenses of bribery, fraud, corporate manager offenses or offenses involving the use of inside information.
 - 4.3. Conviction in another offense which the court determined that due to its nature, severity or circumstances, I am not fit to serve as director in a publicly-traded company. There is no pending indictment against me on such an offense.
5. I have not been charged by the Administrative Enforcement Committee⁵ with enforcement measures prohibiting me from serving as director in a publicly-traded company.
6. I am not a minor, I am not incompetent to stand trial and I have not been declared bankrupt.⁶
7. My other duties or occupations do not create or are likely to create a conflict of interest with my position as director with the Bank, nor do they impair my ability to serve as a director with the Bank
8. All the terms and conditions for my serving as director in a banking corporation without a controlling core have been met pursuant to the provisions of the Banking Ordinance, including:

⁴ As required pursuant to Directive No. 301 of the Banking Supervision Department.

⁵ A committee appointed under Section 521b(a) to the Securities Law, 1968.

⁶ As long as I have not been dismissed.

8.1. Neither I nor my relatives, hold means of control of any kind in the Bank, in a corporation controlled by the Bank or in a "substantial holder", other than holding marketable shares at a percentage of no more than one quarter of one percent of the issued and paid up share capital of any of them.

Yes / no [delete the unnecessary]

Please

specify:

8.2.

8.2.1. In the two years preceding the date of the appointment or from the date of the appointment and thereafter, I, or a person who is in "close connection" with me have had no affiliation with the Bank or with a corporation under the Bank's control, with an officer of the Bank or with a "substantial holder" [it is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation].

Yes / no [delete the unnecessary]

Please

specify:

8.2.2. From the date of appointment and thereafter, I have no affiliation with a relative of a Bank officer, a relative of a "substantial holder" or to a partner of a "substantial holder"; it is clarified that having served as director at the Bank and being a candidate for re-election at this time does not constitute affiliation.

Yes / no [delete the unnecessary]

Please

specify:

8.3. I, or an individual with whom I have a "close connection", has a business or professional relationship with the Bank or a corporation under the Bank's control, with an officer of the Bank or with a "substantial holder" who has put forward my candidacy as director in the Bank, even if such relationships are not routine relationships and I have received no consideration and do not receive any consideration contrary to Section 244(b) to the Companies Law.

Yes / no [delete the unnecessary]

Please

specify:

8.4. A director whose candidacy was proposed by the Committee for the Appointment of Directors under Section 11D(a)(1) to the Banking Ordinance (hereinafter - the "Committee") hereby adds and states that:

8.4.1. As of the appointment date, I have no an affiliation with a Committee member;

- 8.4.2. I am not a minister, deputy minister or member of the Knesset, nor do I have a personal, business or political affiliation with a minister or deputy minister or government employee or an employee of a statutory corporation;
- 8.4.3. I have not been convicted of an offense which by its nature, severity or circumstances renders me unfit to serve in the position, and no indictment for such an offense is pending against me.

If relevant, please specify:

For the purposes of Section 8 above:

"Close connection" – A relationship between a person and his/her relative, partner, employer, to whom he/she is directly or indirectly subordinate, and to the corporation in which he/she is the controlling shareholder;

"Affiliation" - The existence of regular working relations or the existence of professional or business relations, with the exception of negligible relations, as well as appointment as officer; however, retail business relations between the corporation and a customer shall not be considered an affiliation;

"substantial holder" - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such holder, a person controlled by any of them, a member of a group of holders as defined by Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them. For a list of substantial holders of the Bank, please see the Bank's website at www.leumi.co.il.

"Officer" – As defined by the Companies Law, and every other employee reporting to them directly.

9. I do not serve as a director in another company (hereinafter - the "Other Company"), in which one of the Bank's directors serves as an external director.
10. To the extent that during my tenure as External Director or ED of the Bank, it becomes clear that I am barred by law from serving as an officer in the Other Company, I shall resign from my office in the Other Company such that I can continue to serve as an External Director or ED in the Bank.
11. I am not an employee of the Israel Securities Authority or the Tel Aviv Stock Exchange.
12. In my opinion, the terms and conditions for my classification as an independent director are met.⁷

Yes / no [delete the unnecessary]

⁷"Independent Director" - an external or sole director who serving as a director, for whom the following terms and conditions are met: (1) the eligibility terms and conditions for the appointment of an External Director set forth in Section 240(b) to (f) of the Companies Law are approved by the Audit Committee; (2) he/she does has not served as a director of the Bank for more than nine consecutive years (Companies Law, Section 1).

13. I hereby state that there is no impediment or limitation whatsoever to my appointment as director in the Bank, including, among other things, under: Proper Conduct of Banking Business Directive No. 301 of the Banking Supervision Department; the Banking Ordinance, 1941; the Banking (Licensing) Law, 1981; and/or under any law, including, among other things, due to my serving in other corporations.
14. The Bank has provided me with all the information regarding the directors' salary at the Bank and I agree thereto.
15. If, and to the extent, that a change in the aforesaid will occur, including a condition required by law to serve as an External Director or ED in the Bank cease to be met, I hereby undertake to inform the Bank Secretariat thereof effective immediately.
16. I am aware that in the event that the terms and conditions necessary for my service as an External Director or as an ED in the Bank cease to be met, my tenure shall expire on the date of said notice.
17. Below is my name, my signature and all of the above is true.

Date: _____ Signature of the declarant: _____

Affirmation

I, Adv. _____ hereby confirm that _____, who is personally familiar to me/ who identified himself to me with his ID card No. _____, after I had warned him/her that he/she must state the truth and that he/she will be liable to the penalties prescribed by law if he/she does not, confirmed his/her above statement and signed it before me.

Date: _____ Name and signature of the lawyer: _____

Terms of Office as a Director of a Bank without a Controlling Core

Sections 11E(b) - (e) to the Banking Ordinance

(b) (1) In a banking corporation without a controlling core, the following persons shall not be appointed if he/she meets one of the following:

(a) He/she or a relative thereof holds any type of means of control in the banking corporation, in a corporation controlled by the banking corporation or in a substantial holder, excluding holding of marketable shares at a rate that does not exceed a quarter of a percent of the issued and paid up share capital of any of them;

(b) Anyone who, during the two years prior to the appointment date or as from the appointment date and thereafter, has an affiliation with the banking corporation or a corporation controlled by the banking corporation, has an association with an officer in the banking corporation or with a substantial holder, or anyone who is in a close relationship therewith, and anyone who as from the date of appointment and thereafter has an association with a relative of an officer in the banking corporation, a relative of a substantial holder or a partner of a substantial holder; for this purpose, the service as director of a candidate for an additional term as aforesaid in a banking corporation without a controlling core shall not be considered as an affiliation.

(2) Without derogating from the provisions of Section (1)(b), an individual who has a business or professional relationship with the banking corporation or with a corporation controlled by the banking corporation, or whoever is in a close relationship therewith, an officer in the banking corporation or a material holder who put forward that candidate for the office of director shall not serve as an individual director, even if such relationships are not routine relationships, except for negligible relationships;

(3) Without derogating from the provisions of Paragraphs (1) and (2), a director whose candidacy has been proposed by the Committee under Section 11D(a)(1) shall not be appointed or serve, if one of the following exists:

(a) As of the appointment date, he/she has an affiliation with a Committee member;

(b) He/she meets the provisions of Section 36B(b)(3) of the Banking (Licensing) Law;

(c) He/she has been convicted of an offense which, by its nature, gravity or circumstances, renders them unfit to fulfil the position, or such an offense is pending against them;

(d) The provisions of Section 240(c) of the Companies Law apply to them;

(4) A director whose candidacy was put forward by the Committee pursuant to Section 11D(a)(1) shall have professional competency or accounting and financial expertise, in accordance with the provisions of Section 240(a1) to the Companies Law.

(c) Notwithstanding the provisions of subsection (b), a director who serves in a banking corporation on the eve of becoming a banking corporation without a controlling core may continue to serve as such until the end of his/her term of office even if the conditions set forth in that subsection have not been met, but for no more than three years from the banking corporation becoming a banking corporation without a controlling core, whichever the earlier.

(c1) The Banking Supervision Department may approve the appointment or term of office of a director who, in the two years preceding the date of appointment or from the date of appointment onwards has, or a close contact of his/her has, an affiliation with a substantial holder, a relative of a substantial holder or a partner of a substantial holder, even if this affiliation is not negligible, if [the Banking Supervision Department] finds that in the circumstances of the case, this affiliation does not raise concern of a conflict of interest in the position.

(d) The provisions of this section shall prevail over any conflicting provision of law.

(e) In this section -

"General Meeting", "Extraordinary Meeting" and "Annual Meeting" - as defined by the Companies Law

"Close Connection" - as defined in Section 36B(a) to the Banking (Licensing) Law;

"Affiliation" - The existence of regular working relations or the existence of professional or business relations, with the exception of negligible relations, as well as appointment as officer; however, retail business relations between the corporation and a customer shall not be considered an affiliation;

"substantial holder" - A person who holds more than two and a half percent of a certain type of means of control in a banking corporation, a person who controls such holder, a person controlled by any of them, a member of a group of holders as defined by Section 11D(a)(3)(b), whoever controls a member or a group of holders as aforesaid, and whoever is controlled by any of them.